



RECEIVED

Los Angeles Area
Chamber of Commerce

'06 DEC -5 A11 :08

From: Office of the Executive Officer	Date: 12-5-06
To: Chang	
Cy: BRW	
For your action by: _____	For your info. <input checked="" type="checkbox"/> handling <input checked="" type="checkbox"/>
Cr: response for: _____	signature, cc: _____

November 30, 2006
EXECUTIVE OFFICE

Mr. Barry R. Wallerstein
Executive Director
South Coast Air Quality Management District
21865 Copley Drive
Diamond Bar, CA 91765-4178

Dear Members of the Air Quality District Board of Directors:

Thank you for the opportunity to comment on the vital issue of how best to reduce emissions in our region while at the same time assuring the growth of our economy, our tax base and new high-paying jobs, especially in the goods movement industry.

I write these comments on behalf of our members including employers in the goods movement and housing industry as well as general businesspeople and residents of our region. The Chamber and our members want to partner with the district in devising economically feasible, innovative ways to reduce emissions and grow capacity. They have asked me to express to you their overriding desire to work with the district to fashion a successful, comprehensive, cost-effective and legally supportable plan.

The ports and the goods movement industry are one of the mainstays of our region's economy. It is the second largest source of jobs in the greater five county region – approximately 500,000 jobs representing \$22.7 billion in wages and \$7 billion in state and local taxes. As the *Los Angeles Times* recently noted, “The \$52 billion it injects into the economy each year dwarfs the \$34-billion entertainment industry. [Los Angeles Times, 1/15/06]

U.S. Senator Boxer told the Mobility21 Conference in Universal City last month that, “Throughout our history, transportation has fueled America's extraordinary economic growth, shaped our landscape, helped define our culture, and united our vast and diverse population.” When commenting on the need to act now to protect and grow these jobs for California, she went on to say, “We don't have a choice. Not when more than 9.5 million Americans work in the transportation and goods movement sectors. Not when transportation represents 11 percent of our GDP.”

So the question is, “What is the best plan to achieve emissions reductions and at the same time provide for the continued growth of our economy?” I would like to share four thoughts about this ongoing process that we believe will help answer that question.

First, international trade and goods movement-related industries want to work with AQMD in developing solutions and are committed to investing the time necessary to do so. There is a real concern that the AQMD, to date, has not adequately involved these industries in the planning process. Business is looking for a positive environment in

which to extensively explore options with AQMD without feeling like every statement or idea offered for consideration will be used against them by representatives of other groups who have different goals for this process. We believe that there are many possible ways to achieve the goal of green growth at the ports and throughout Southern California. Some solutions will rely on new technologies. Some on agreements. Others on incentives coupled with regulations. All of these possible solutions should be discussed in an environment of trust and openness.

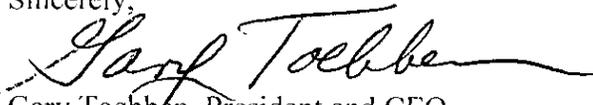
Second, it is crucial to have industry involved in the discussion from the very beginning especially when potential regulatory actions place significant requirements and burdens on their businesses. This involvement is absolutely necessary to ensure that the final measures yield the desired reductions without hurting our economy. Many members of the goods movement industry have been active participants in scores of regulatory processes in this state and around the nation. They can be very helpful in developing sound solutions when given the opportunity.

Third, state and federal agencies are required to consider the cost effectiveness of regulations to ensure that the most efficient steps are taken to improve our environment. Incorporating a rigorous economic analysis of all possible control measures is essential to meet targeted goals while preventing unintended harm to our economic and business vitality. This is especially relevant when considering an indirect source fee for new development projects. A fee modeled on the program in the San Joaquin Valley would potentially drive up the cost of new housing, encourage sprawl, and result in greater automobile emissions by encouraging new development projects to be built just outside of AQMD's jurisdiction.

Finally, given the patchwork of regulatory authority over various participants at the Ports, voluntary measures should play an important role. Industries have already taken several voluntary steps to reduce pollution such as the Pier Pass Program, voluntary low sulfur fuel use by both shippers and railroads, and technology demonstration projects such as ultra low emitting locomotives and portable equipment fueled by LNG. While we recognize that voluntary actions will not be sufficient alone, it is the right place to start the conversation and move towards equitable, effective solutions.

Our members look forward to working with the district to achieve the dual goal of improving our air quality and growing our economy. We know that a partnership that utilizes the best ideas from business will help our entire region to responsibly meet our environmental goals in the shortest period of time.

Sincerely,



Gary Toebben, President and CEO
Los Angeles Area Chamber of Commerce